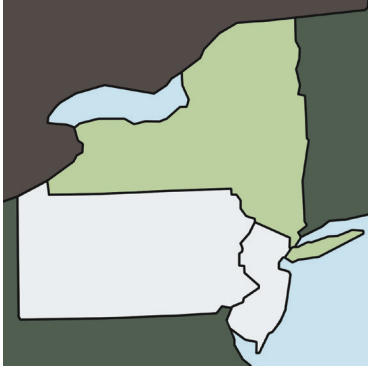


NEW YORK Budget Report Card



NEW YORK IS ONE OF ONLY four states receiving average D grades in the budget maneuvers category for fiscal 2015 through 2019, along with Illinois, Kansas, and New Jersey. Despite an improving economy, New York's use of one-time actions to achieve balance accelerated over the study period.

For example, beginning in fiscal 2018, New York began deferring recurring expenditures, a move it had avoided in the previous three years. In 2018, the state deferred an annual loan repayment to the New York Power Authority, extending terms through 2023, which temporarily reduced spending by \$193 million. In 2019, it shifted about \$1.7 billion in scheduled Medicaid payments to the next fiscal year.

The state has, however, been diligent in funding its pension plans in line with actuarially determined contributions. Its pension funding ratio in fiscal 2019 was 96 percent, 25 percentage points above the total for all states. New York does less well in funding other postemployment benefits (OPEB), primarily health care. It does not contribute to its estimated \$91 billion OPEB liability in line with actuarial recommendations, instead covering current retiree costs on a pay-as-you-go basis. As a result, the state earned a B average in legacy costs.

In budget forecasting, New York was one of ten states with a top A average. The state is required to produce a three-year financial projection that includes receipts and disbursements. The logic behind its revenue projections is spelled out in the state's *Economic, Revenue and Spending Methodologies* reports, which provide a detailed description of how revenue estimates for the upcoming fiscal year are calculated.

MID-ATLANTIC STATES SIDE BY SIDE: Five-Year Average Grades, Fiscal 2015–19


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
New Jersey	D	D	D-	B	B
New York	A	D	B	B	B
Pennsylvania	B	D-	D	C	B
US AVERAGE	C	B	C	B	B


NOTE States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preparing for the Storm* at VolckerAlliance.org.


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NEW YORK Budget Report Card, Fiscal 2015–19

BUDGET FORECASTING							
	2015	2016	2017	2018	2019	TREND	
	CATEGORY GRADE	A	A	A	A	A	'15 '16 '17 '18 '19
	Consensus Revenue Forecasts	✓	✓	✓	✓	✓	● ● ● ● ●
	Multiyear Expenditure Forecasts	✓	✓	✓	✓	✓	
	Multiyear Revenue Forecasts	✓	✓	✓	✓	✓	
	Revenue Growth Projections	✓	✓	✓	✓	✓	
5-YEAR AVERAGE						A	

BUDGET MANEUVERS							
	2015	2016	2017	2018	2019	TREND	
	CATEGORY GRADE	C	D	D	D	D	'15 '16 '17 '18 '19
	Deferring Recurring Expenditures	✓	✓	✓	X	X	
	Revenue and Cost Shifting	X	X	X	X	X	
	Funding Recurring Expenditures with Debt	X	X	X	X	X	●
	Using Asset Sales and Up-Front Revenues	✓	X	X	X	X	● ●
5-YEAR AVERAGE						D	● ● ● ● ●

LEGACY COSTS							
	2015	2016	2017	2018	2019	TREND	
	CATEGORY GRADE	B	B	B	B	B	'15 '16 '17 '18 '19
	Public Employee OPEB Funding	X	X	X	X	X	
	Public Employee Pension Funding	✓	✓	✓	✓	✓	● ● ● ● ●
	Public Employee Pension Funded Ratio*	98%	91%	95%	98%	96%	
5-YEAR AVERAGE						B	

RESERVE FUNDS							
	2015	2016	2017	2018	2019	TREND	
	CATEGORY GRADE	B	B	B	B	B	'15 '16 '17 '18 '19
	Positive Reserve or General Fund Balance	✓	✓	✓	✓	✓	
	Reserve Funds Disbursement Policy	✓	✓	✓	✓	✓	● ● ● ● ●
	Reserve Funds Replenishment Policy	✓	✓	✓	✓	✓	
	Reserves Tied to Revenue Volatility	X	X	X	X	X	
5-YEAR AVERAGE						B	

TRANSPARENCY							
	2015	2016	2017	2018	2019	TREND	
	CATEGORY GRADE	B	B	B	B	B	'15 '16 '17 '18 '19
	Consolidated Budget Website	✓	✓	✓	✓	✓	
	Provides Debt Tables	✓	✓	✓	✓	✓	● ● ● ● ●
	Discloses Deferred Infrastructure Replacement Costs	X	X	X	X	X	
	Discloses Tax Expenditures	✓	✓	✓	✓	✓	
5-YEAR AVERAGE						B	

KEY

✓	Followed best practice
X	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* **SOURCE** Bloomberg.

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